

## Message Text

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INFO AMEMBASSY ACCRA

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UNCLAS COPENHAGEN 4573

E.O. 11652: N/A

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SUBJECT: GHANAIAAN SEIZURE OF R.T. BRISCOE LTD.

REF: ACCRA 8360

SUMMARY: THE GHANAIAAN SEIZURE (REFTEL) OF THE EAST ASIATIC COMPANY'S (EAC) SUBSIDIARY IN GHANA, R.T. BRISCOE LTD, HAS HAD WIDE PRESS COVERAGE IN DENMARK. DENMARK OFFICIALLY PROTESTED THE SEIZURE TO THE EC COMMISSION AS BEING IN CONFLICT WITH THE LOME CONVENTION. THE GHANAIAAN GOVERNMENT HAS OFFERED BILATERAL CONSULTATIONS WITH DENMARK TO SETTLE THE MATTER, AND DENMARK HAS SENT A FOREIGN MINISTRY OFFICIAL TO GHANA FOR DISCUSSIONS. THE GHANAIAAN EMBASSY IN COPENHAGEN MADE AVAILABLE A PRELIMINARY REPORT ON THE CHARGES AGAINST BRISCOE. EAC IN COPENHAGEN DENIES ALL CHARGES AS BEING PREPOSTEROUS AND UNFACTUAL. END SUMMARY.

1. THE GHANAIAAN SEIZURE OF R.T. BRISCOE (GHANA) LTD., A SUBSIDIARY OF THE AST ASIATIC COMPANY IN COPENHAGEN, HAS HAD WIDE PRESS COVERAGE IN DENMARK. AT THE EC FOREIGN MINISTERS COUNCIL ON NOVEMBER 15-16, DENMARK OFFICIALLLY PROTESTED THE SEIZURE TO THE UNCLASSIFIED

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EC COMMISSION. THE EC COMMISSION REPORTEDLY DID NOT

FIND THE SEIZURE TO BE IN CONFLICT WITH THE LOME CONVENTION, BUT THEY HAVE ASKED THE COMMITTEE OF PERMANENT REPRESENTATIVES (COREPER) TO LOOK INTO THE POSSIBILITY OF EC ASSISTANCE IN THE MATTER.

2. IN THE MEANTIME, THE GHANAIAAN GOVERNMENT OFFERED BILATERAL CONSULTATION WITH DENMARK TO SETTLE THE MATTER AND ON DECEMBER 1, THE CHIEF OF THE TRADE SECTION IN THE FOREIGN MINISTRY, AMBASSADOR G.F.K. HARHOFF, LEFT FOR GHANA TO DISCUSS IT. RESULTS FROM THE PRELIMINARY DISCUSSIONS WERE REPORTEDLY ON HOW TO PROCEED WITH THE DISCUSSIONS. IN THE FIRST INSTANCE, THE GHANAIAAN GOVERNMENT HAS PROMISED TO RELEASE THE SO-CALLED APPIAH REPORT AND THE WHITE PAPER BEFORE NEW YEAR, THE EAC EMPLOYEES AT R.T. BRISCOE ARE REPORTEDLY NOW FREE TO LEAVE GHANA, AND EACH SHIPS CALLING AT GHANAIAAN PORTS WILL NOT BE SEIZED. THE DANISH FOREIGN ECONOMICS MINISTER, IVAR NORGAAARD, IS EXPECTED TO CLARIFY THE SITUATION AT AN EC COUNCIL MEETING NEXT WEEK, BASED ON AMBASSADOR HARHOFF'S DISCUSSIONS.

3. THE PRELIMINARY REPORT RELEASED BY THE GHANAIAAN EMBASSY IN COPENHAGEN ON DECEMBER 1 REPORTEDLY STATES THAT EAC AND R.T. BRISCOE IN THE PERIOD FROM 1964 TO 1974 DEPRIVED GHANA OF AROUND \$10 MILLION THROUGH EXTREME FINANCIAL MANIPULATIONS. THE REPORT CONTAINS DETAILED INFORMATION MOSTLY IN CONNECTION WITH BRISCOE'S SALES OF VOLKSWAGE (VW) AND MERCEDES BENZ AUTOMOBILES IN GHANA. REPORTEDLY THE GHANAIAAN GOVERNMENT WAS DEFRAUDED THROUGH FALSE INVOICING, WHICH KEPT THE PROFIT IN EUROPE AND AVOIDED GHANAIAAN TAXATION. THE GHANAIAAN AMBASSADOR IN DENMARK, MR. ABU-AMPOMA, CONCLUDES FROM THE REPORT THAT THE LOSS TO GHANA MORE THAN OFFSET THE POSSIBLE COMPENSATION FOR NATIONALIZATION, SAYING "THE VALUE OF THE ASSETS OF R.T. BRISCOE IS NO MORE THAN ONE TENTH OF THE AMOUNT THAT THE COMPANY HAS DEPRIVED GHANA."

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4. THE EAC IN COPENHAGEN ON DECEMBER 6 MADE THEIR FIRST STATEMENT ON THE BRISCOE CASE STRONGLY DENYING ALL THE CHARGES AGAINST R.T. BRISCOE. THEY FURTHER CLAIMED THAT THE COMPANY HAS ASSETS VALUED AT ROUND \$8 MILLION FROZEN IN GHANA. EAC STATES THAT ALL CHARGES LACK ANY FORM OF DOCUMENTATION, AND THAT IT LOOKS AS IF THE GHANAIAAN AUTHORITIES, IN THE CHARGE ABOUT FALSE INVOICING, HAVE USED OUTDATED PRICE LISTS

AND EXCLUDED ACCESSORIES TO THE CAR.

5. THE EAC STATES FINALLY THAT IT WILL NOT RESIST  
A POSSIBLE NATIONALIZATION IF FAIR COMPENSATION  
CAN BE NEGOTIATED.

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